

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7631**

**BILL NUMBER:** HB 1653

**NOTE PREPARED:** Apr 14, 2003

**BILL AMENDED:** Apr 7, 2003

**SUBJECT:** Financial Institutions.

**FIRST AUTHOR:** Rep. Bardon

**FIRST SPONSOR:** Sen. Paul

**BILL STATUS:** As Passed - Senate

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) The bill allows a bank to sell life insurance or an annuity issued by a life insurance company in any state in which the bank operates. The bill specifies requirements for an Indiana bank that sells life insurance or annuities. The bill changes the requirements for filing a statement of condition by a bank. The bill prohibits a savings bank or savings association acting as a fiduciary from receiving a commission or profit as part of a transaction involving an estate, guardianship, or trust. The bill creates an exception to the requirement that a director of a state chartered financial institution be a citizen of the United States. The bill defines language used in conjunction with the termination of a security interest.

**Effective Date:** January 1, 2003 (retroactive); July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary:* Under the bill, unless under previous agreement with a creator of or court regarding an estate, a guardianship, or trust of which a savings bank is the fiduciary, the fiduciary savings bank may not directly or indirectly receive profit or commission from the sale to or purchase of these items. The savings bank would commit a Class B misdemeanor under IC 28-1-23-7 and IC 28-6.1-14-5.

***Penalty Provision:*** Violation of the provisions of this bill could result in additional fine and court fee revenue. The maximum fine for a Class B misdemeanor is \$1,000, which would be deposited in the Common School Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* Violation of the provisions of this bill could result in additional court fee revenue.

**State Agencies Affected:** Department of Financial Institutions.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

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